

FY 2006-07 BUDGET

BUDGET SECTION SUMMARY

Section Title:

SANITATION ZONE - AIRPORT / LARKFIELD / WIKIUP

A. Program Description

This budget finances the operation, maintenance, and administration of a collection system, trunk line, and treatment plant serving the Airport/Larkfield/Wikiup area.

B. Financial Summary

Section				NET COST/USE OF FUND BALANCE		
	FY 05-06 Adopted	FY 06-07 Requested	Percent Change	FY 05-06 Adopted	FY 06-07 Requested	Percent Change
Operations	\$2,552,728	\$2,564,573	0.46%	\$1,254,649	\$1,044,109	(16.78%)
Bonds	327,739	293,412	(10.47%)	(146,657)	(164,835)	12.39%
Construction	4,670,500	845,195	(81.90%)	3,016,750	833,195	(72.38%)
Acquisition	0	110,077	N/A	0	(145,872)	N/A
TOTAL:	\$7,550,967	\$3,703,180	(50.96%)	\$4,124,742	\$1,712,469	(58.48%)

C. Staffing Summary

No staffing is allocated to this index.

D. Workload Summary

Workload Indicator	FY 04-05 Actual	FY 05-06 Budget Estimate	FY 05-06 Revised Estimate	FY 06-07 Projected	Change from FY 05-06 Budget Estimate
Total ESDs	3,252	3,479	3,479	3,587	3.10%
Total APNs	2,634	2,648	2,648	2,648	0.00%

E. Summary of Issues and Significant Changes

The Airport SZ's treatment plant was originally designed as a zero discharge plant with the ability to treat an average daily dry weather flow of up to 0.3 million gallons per day (mgd) to secondary wastewater treatment standards. The original design allowed for future expansion of the treatment plant, in 0.3 mgd increments, to eventually increase the treatment capacity to 1.2 mgd. An expansion project in 1989 increased the treatment and disposal capacity to 0.6 mgd. A second expansion project, completed in 1997, increased the treatment capacity to 0.9 mgd and upgraded the wastewater treatment to tertiary standards. The current permitted capacity of the Airport SZ facilities is 0.9 mgd.

The requested rate per ESD for FY 06-07 annual service charges is \$444, representing a 6.9% increase from FY 05-06. The Airport SZ currently collects sufficient funds to operate and maintain its collection system. In addition to funds needed for the ongoing operations and maintenance expenses, the need for accruing funds necessary for the replacement of aging infrastructure is also gaining importance both locally and nationally. At the Airport SZ, the level of funds collected allows this sanitation zone to accrue some funds for future infrastructure replacement projects. Over time it will be necessary to increase the level of capital replacement funding to ensure the long-term reliability of this system.

F. Summary of Reduction Options

No reduction options are proposed.

G. Attachments

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

FY 2006-07 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANI ZONE - AIRPORT / LARKFIELD / WIKIUP - OPERATIONS
Section/Index No: 682104

Sub-Object No. and Title	Adopted 2005-06	Requested 2006-07	Difference	Percent Change
REVENUES:				
<u>TAXES</u>				
1001 Flat Charges - CY	\$1,167,179	\$1,396,904	\$229,725	19.68%
1061 Flat Charges - PY	11,000	11,000	0	0.00%
1120 Penalties / Costs on Taxes	2,000	2,000	0	0.00%
Subtotal Taxes	\$1,180,179	\$1,409,904	\$229,725	19.47%
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$10,000	\$4,000	(\$6,000)	(60.00%)
Subtotal Use of Money	\$10,000	\$4,000	(\$6,000)	(60.00%)
<u>CHARGES FOR SERVICES</u>				
3400 Sanitation Services	\$107,900	\$106,560	(\$1,340)	(1.24%)
3403 Ind Users Monitoring/Discharge	0	0	0	N/A
Subtotal Charges for Services	\$107,900	\$106,560	(\$1,340)	(1.24%)
TOTAL REVENUES	\$1,298,079	\$1,520,464	\$222,385	17.13%

EXPENDITURES:

SERVICES AND SUPPLIES

6040 Communications	\$7,220	\$3,500	(\$3,720)	(51.52%)
6180 Maintenance - Bldgs/Impr	90,000	90,000	0	0.00%
6262 Lab Supplies	2,000	2,000	0	0.00%
6522 District Services	660,000	750,000	90,000	13.64%
6570 Consultant Services	100,000	20,000	(80,000)	(80.00%)
6573 Administration Costs	10,200	10,000	(200)	(1.96%)
6610 Legal Services	10,000	10,000	0	0.00%
6630 Audit / Accounting Services	6,000	6,000	0	0.00%
7212 Chemicals	30,000	65,000	35,000	116.67%
7217 State Permits / Fees	20,000	35,000	15,000	75.00%
7247 Water Conservation Program	1,000	1,000	0	0.00%
7250 Reimbursable Projects	0	0	0	N/A
7320 Utilities	250,000	200,000	(50,000)	(20.00%)
Subtotal Services and Supplies	\$1,186,420	\$1,192,500	\$6,080	0.51%

Sub-Object No. and Title	Adopted 2005-06	Requested 2006-07	Difference	Percent Change
<u>OTHER CHARGES</u>				
7980 Depreciation	\$875,000	\$875,000	\$0	0.00%
<i>Subtotal Other Charges</i>	\$875,000	\$875,000	\$0	0.00%
<u>FIXED ASSETS</u>				
8510 Buildings / Improvements	\$0	\$0	\$0	N/A
<i>Subtotal Fixed Assets</i>	\$0	\$0	\$0	N/A
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special Dist - BOS	\$474,308	\$485,073	\$10,765	2.27%
<i>Subtotal Other Financing Uses</i>	\$474,308	\$485,073	\$10,765	2.27%
<u>APPROPRIATIONS FOR CONT</u>				
9000 Appropriations for Contingencies	\$17,000	\$12,000	(\$5,000)	(29.41%)
<i>Subtotal Appropriations for Contin.</i>	\$17,000	\$12,000	(\$5,000)	(29.41%)
TOTAL EXPENDITURES	\$2,552,728	\$2,564,573	\$11,845	0.46%
TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	\$1,254,649	\$1,044,109	(\$210,540)	(16.78%)

FY 2006-07 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Airport/Larkfield/Wikiup - Operations

Character Title: Taxes

Character No.: 682104-10

1001 Flat Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY 05-06 budget. The rate will increase approximately 6.9%, from \$415 to \$444.

ESDs times annual rate:	3,347	x \$444	\$1,486,068
Less Estimated Delinquency Factor:		6%	(89,164)
			<hr/> \$1,396,904

(See SubObject 3400 for Total ESDs)

1061 Flat Charges - PY

This account records the estimated delinquent amount of prior years sewer service charges.

1120 Penalties / Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

Character Title: Use of Money

Character No.: 682104-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$100,000
Projected Interest Rate	<hr/> 4.00%
Projected/Planned Interest on Pooled Cash	\$4,000

Character Title: Charges for Services

Character No.: 682104-30

3400 Sanitation Services

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges, in the following year.

Based on projected FY 06-07 ESDs, the Zone will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$415 to \$444.

ESDs x Annual Charge	240	x \$444	=	\$106,560
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3403 Ind Users Monitoring/Discharge

This account records revenue associated with the Industrial Users Monitoring program or revenue received from any industrial user for events such as an unauthorized (or specially authorized) discharge into the treatment plant. There is no planned revenue for FY 06-07.

6040 Communications

This account records expenses paid by the Zone for outside communication and wireless services.

6180 Maintenance - Bldgs / Impr

This account records the cost of parts and materials required to maintain the collection system and treatment facilities.

6262 Laboratory Supplies

This account records the cost of lab supplies required for testing and monitoring wastewater.

6522 District Services

This account records the cost of labor and overhead required for operation and maintenance of the Zone's facilities and equipment, as well as other related service and supply items.

6570 Consultant Services

This account records the cost of consultant services required in support of special projects.

6573 Administration Costs

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

6610 Legal Services

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required.

6630 Audit / Accounting Services

Audit/Accounting Services covers the cost of the annual audit and accounting services provided by the Auditor-Controller's Office.

7212 Chemicals

This account records the cost of chemicals required for operation of the treatment plant. The requested amount is considered necessary to meet the requirements of the Zone's operating permit (waste discharge requirements), as required by the North Coast Regional Water Quality Control Board.

7217 State Permits / Fees

This account records the cost of District permits as mandated by the Regional Water Quality Control Board.

7247 Water Conservation Program

This account records the cost of a Water Conservation Program for the Zone.

7250 Reimbursable Projects

This account records any expenses that are expected to be covered by reimbursement. No funds are requested for FY 06-07.

7320 Utilities

This account records the cost of payments made for utilities such as gas, electricity, and water.

Character Title: Other Charges

Character No.: 682104-75

7980 Depreciation

Generally Accepted Accounting Principles require that depreciation be expensed each year.

Character Title: Fixed Assets

Character No.: 682104-85

8510 Buildings / Improvements

No funds are requested for FY 06-07.

Character Title: Other Financing Uses

Character No.: 682104-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Operations Fund to the Bond Fund and the Acquisition Fund to cover the principal and interest payments.

Transfer to:	Bond Fund	\$229,124
	Acquisition Fund	<u>255,949</u>
	Total Operating Transfer	\$485,073

Character Title: Appropriations for Contingencies

Character No.: 682104-90

9000 Appropriations for Contingencies

This account provides funding for unanticipated expenditures or revenue shortfalls.

FY 2006-07 BUDGET

STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation

Section: Sanitation Zone - Airport / Larkfield / Wikiup - Operations

Index No.: 682104

DESCRIPTION OF FUND ACTIVITY	Actual FY 04-05	Estimated FY 05-06	Requested FY 06-07
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$681,770	\$641,148	\$373,468
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	1,339,386	1,359,881	1,520,464
Expenditures - (Decrease) fund balance	(2,238,098)	(2,451,254)	(2,564,573)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(898,712)	(1,091,373)	(1,044,109)
Adjustments to Reserves/Encumbrances:			
7980 - Depreciation	871,931	823,693	875,000
Net Change in Encumbrance	(11,800)	-	-
Post Audit Adjustment - Expenditure	(2,041)	-	-
PY Encumbrances	-	-	-
PY Adjustment - Receivable	-	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	858,090	823,693	875,000
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$641,148	\$373,468	\$204,359
Total Increase/(Decrease) in Fund Balance for Fiscal Year <i>(Difference between Beginning and Ending Balance)</i>	(\$40,622)	(\$267,680)	(\$169,109)
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/04</u>	<u>7/1/05</u>	
Cash	\$743,961	\$673,191	
Other Receivables	20,440	52,373	
Accounts Payable	(48,012)	(37,997)	
Encumbrances	(34,619)	(46,419)	
Total Beginning Fund Balance	\$681,770	\$641,148	

FY 2006-07 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: SANITATION ZONE - A.L.W. - BONDS

Section/Index No: 682203

Sub-Object No. and Title	Adopted 2005-06	Requested 2006-07	Difference	Percent Change
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REVENUES:

TAXES

1700 Interest on Pooled Cash	\$88	\$0	(\$88)	(100.00%)
Subtotal Use of Money	\$88	\$0	(\$88)	(100.00%)

OTHER FINANCING SOURCES

4625 OT -W/in Special Dist - BOS	\$474,308	\$458,247	(\$16,061)	(3.39%)
Subtotal Other Financing Sources	\$474,308	\$458,247	(\$16,061)	(3.39%)

TOTAL REVENUES	\$474,396	\$458,247	(\$16,149)	(3.40%)
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EXPENDITURES:

SERVICES AND SUPPLIES

6635 Fiscal Agent Fees	\$4,446	\$4,500	\$54	1.21%
6640 Debt Issuance	7,350	6,594	(756)	(10.29%)
Subtotal Services and Supplies	\$11,796	\$11,094	(\$702)	(5.95%)

OTHER CHARGES

7920 Interest	\$314,308	\$280,683	(\$33,625)	(10.70%)
7923 Discount/Bonds	1,635	1,635	0	0.00%
Subtotal Other Charges	\$315,943	\$282,318	(\$33,625)	(10.64%)

OTHER FINANCING USES

8625 OT -W/in Special District - BOS	\$0	\$0	\$0	N/A
Subtotal Other Charges	\$0	\$0	\$0	N/A

ADMINISTRATIVE CONTROL ACCOUNT

9200 Ent - Principal	\$160,000	\$190,000	\$30,000	18.75%
9209 Ent - Principal Clearing	(160,000)	(190,000)	(30,000)	18.75%
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$327,739	\$293,412	(\$34,327)	(10.47%)
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TOTAL NET COST <i>(Expenditures Minus Revenues)</i>	(\$146,657)	(\$164,835)	(\$18,178)	12.39%
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FY 2006-07 BUDGET CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - A.L.W. - Bonds

Character Title: Other Financing Sources Character No.: 682203-46

4625 OT - W/in Special Dist - BOS

This account records the transfer of funds from the Operations Fund to cover debt payment.

Character Title: Services and Supplies Character No.: 682203-60

6635 Fiscal Agent Fees

This account records the fee collected by the County Treasurer for acting as the fiscal agent.

6640 Debt Issuance

This account records the cost of obtaining bond funding.

Character Title: Other Charges Character No.: 682203-75

7920 Interest

The 2000 bonds were completely refunded in September 2005. Bases on the refunded bond serial interest rate ranges from 2.6-5.0% over the life of the issue. The request for the forthcoming fiscal year is based on the bond amortization schedule prepared at the time the bonds were refunded.

7923 Discount/Bonds

This account records the amount of bond discount applicable.

Character Title: Other Financing Uses Character No.: 682203-86

8625 OT - W/in Special Dist - BOS

This account reflects amounts transferred to the Construction Fund for expenses incurred for projects eligible for funding from the proceeds of the 2000 Revenue Bond. No funds will be budgeted for FY 06-07.

Character Title: Administrative Control Character No.: 681205-92

9200 Ent - Principal

This account reflects the principal expense for revenue bonds that were issued in FY 00-01 and refunded in FY 05-06 to finance the capital improvements. Payments on the bonds will continue until October, 2026. The request for the forthcoming fiscal year is based on the bond amortization schedule prepared at the time the bonds were refunded.

The following reflects the bond principal payment history to date:

Original Amount of the Revenue Bond Issue:	\$6,570,000	Refunded	\$6,220,000
Principal Payments through FY 04-05	(570,000)		0
FY 05-06 Principal Payment:	(160,000)		0
	Refunded	\$5,840,000	\$6,220,000

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2006-07 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department Sonoma County Water Agency - Sanitation
Section: Sanitation Zone - A.L.W. - Bonds
Index No.: 682203

DESCRIPTION OF FUND ACTIVITY	Actual FY 04-05	Estimated FY 05-06	Requested FY 06-07
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	(\$52,511)	(\$212,272)	(\$249,175)
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	322,335	472,136	458,247
Expenditures - (Decrease) fund balance	(330,796)	(327,739)	(293,412)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	(8,461)	144,397	164,835
Adjustments to Reserves/Encumbrances:			
6640 Amortization of Debt Issuance Costs	7,066	7,066	6,594
Change in Matured Bonds Payable	(10,000)	(30,000)	-
7923 Discount on Bonds	1,634	1,634	1,635
9200-ENT - Principle	(150,000)	(160,000)	(190,000)
Net Adjustment - Increase/(Decrease) to Fund Balance	(151,300)	(181,300)	(181,771)
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	(\$212,272)	(\$249,175)	(\$266,111)
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	(\$159,761)	(\$36,903)	(\$16,936)
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/04</u>	<u>7/1/05</u>	
Cash	\$177,888	\$26,368	
Cash with Trustee	603	787	
Matured Bonds Payable	(150,000)	(160,000)	
Interest Payable	(81,002)	(79,427)	
Total Beginning Fund Balance	(\$52,511)	(\$212,272)	

FY 2006-07 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: **SANI ZONE - AIRPORT / LARKFIELD / WIKIUP - CONSTRUCTION**
Section/Index No: **682302**

Sub-Object No. and Title	Adopted 2005-06	Requested 2006-07	Difference	Percent Change
REVENUES:				
<u>USE OF MONEY</u>				
1700 Interest on Pooled Cash	\$3,750	\$12,000	\$8,250	220.00%
Subtotal Use of Money	\$3,750	\$12,000	\$8,250	220.00%
<u>MISCELLANEOUS REVENUE</u>				
4304 PG&E-Energy Rebate	\$1,650,000	\$0	(\$1,650,000)	(100.00%)
Subtotal Miscellaneous Revenue	\$1,650,000	\$0	(\$1,650,000)	(100.00%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
4200 ENT - LTD Proceeds	\$1,850,000	\$0	(\$1,850,000)	(100.00%)
4209 ENT - LTD Proceeds - Clearing	(\$1,850,000)	\$0	\$1,850,000	(100.00%)
Subtotal Admin. Control Account	\$0	\$0	\$0	N/A
<u>OTHER FINANCING SOURCES</u>				
4625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
Subtotal Other Financing Sources	\$0	\$0	\$0	N/A
TOTAL REVENUES	\$1,653,750	\$12,000	\$8,250	0.50%
EXPENDITURES:				
<u>OTHER CHARGES</u>				
7920 Interest	\$51,000	\$99,542	\$48,542	95.18%
Subtotal Other Charges	\$51,000	\$99,542	\$48,542	95.18%
<u>FIXED ASSETS</u>				
8510 Buildings / Improvements	\$4,599,500	\$476,530	(\$4,122,970)	(89.64%)
9142 Capital Replacement Program	20,000	40,000	20,000	100.00%
Subtotal Fixed Assets	\$4,619,500	\$516,530	(\$4,102,970)	(88.82%)
<u>ADMINISTRATIVE CONTROL ACCOUNT</u>				
9200 Ent - Principal	\$123,000	\$0	(\$123,000)	(100.00%)
9209 Ent - Principal Clearing	(\$123,000)	\$0	\$123,000	(100.00%)
Subtotal Administrative Control	\$0	\$0	\$0	N/A
<u>OTHER FINANCING USES</u>				
8625 OT - W/in Special District - BOS	\$0	\$229,123	\$229,123	N/A
Subtotal Other Financing Uses	\$0	\$229,123	\$229,123	N/A
TOTAL EXPENDITURES	\$4,670,500	\$845,195	(\$3,825,305)	(81.90%)
TOTAL NET COST (Expenditures Minus Revenues)	\$3,016,750	\$833,195	\$2,183,555	(72.38%)

FY 2006-07 BUDGET

CHARACTER JUSTIFICATION

Department - Division: Sonoma County Water Agency - Sanitation

Section Title: Sanitation Zone - Airport/Larkfield/Wikiup - Construction

Character Title: Use of Money

Character No.: 682302-17

1700 Interest on Pooled Cash

This account records interest on pooled cash held for the Zone by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$300,000
Projected Interest Rate	<u>4.00%</u>
Projected/Planned Interest on Pooled Cash	\$12,000

Character Title: Other Financing Sources

Character No.: 682302-46

4625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Bond Fund to the Construction Fund to finance the capital projects.

Character Title: Other Charges

Character No.: 682302-75

7920 Interest

This account reflects the interest expense for the photovoltaic project from the Banc of America LLC.

Character Title: Fixed Assets

Character No.: 682302-85

8510 Buildings / Improvements

This account can be used to provide capacity to new users pursuant to the County General Plan (using connection fee revenue), as well as for treatment plant and reclamation system improvement projects.

The following projects are planned for the forthcoming year:

Buildings/Improvements	PCAS No.	Amount
<u>Aeration Basin #4</u>	TBD	\$ 150,000
This project will construct an additional aeration basin at the treatment plant to increase the treatment capacity of the plant. The current budget will fund portions of the CEQA compliance and design costs.		
<u>Settling Pond Improvement</u>	3685	93,420
This project is maintenance work to remove accumulated sludge in settling ponds #1 and #2 and restore the treatment capabilities of the ponds. The current budget item will fund portions of the CEQA compliance, design, and contract administration.		
<u>Diesel Tank Removal</u>	4067	33,110
This project will remove an existing underground diesel storage tank and replace it with a new above-ground tank. The current budget item will fund a portion of the contract administration costs.		

Character Title: Fixed Assets (Continued)

Character No.: 682302-85

8510 Buildings / Improvements (Continued)

Buildings/Improvements	PCAS No.	Amount
<u>Irrigation Pump Replacement</u>	TBD	<u>200,000</u>
This project will replace the existing irrigation pumps with larger and more efficient pumps.		
Subtotal for Buildings/Improvements (Sub-object 8510)		\$ 476,530
 9142 Capital Replacement Program		
This account reflects funds for repair and replacement of the sewer collection system. Long-term replacement of existing facilities that are worn out and in disrepair will help to bring the facilities up to current sanitation standards and will extend the life of the sanitation infrastructure.		
The amount requested for the forthcoming year is for a variety of repairs and replacement of worn out parts as needed.		
Repair and Replacement of Sewer Collection System	TBD	\$ 40,000
Subtotal for Buildings/Improvements (Sub-object 8510)		\$ 40,000
Grand Total-Character 85		<u><u>\$ 516,530</u></u>

Character Title: Other Financing Uses

Character No.: 682302-86

8625 OT - W/in Special Dist - BOS

This account reflects the transfer of cash from the Construction Fund to the Bond Fund for payment of one-half the principal and interest (\$229,123).

Character Title: Administrative Control Account

Character No.: 682302-92

9200 Ent - Principal

This account reflects the principle expense for the photovoltaic project from the Banc of America LLC.

9209 Ent - Principal Clearing

This is the clearing account for subobject 9200, Ent - Principal.

FY 2006-07 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation
 Section: Sanitation Zone - Airport / Larkfield / Wikiup - Construction
 Index No.: 682302

DESCRIPTION OF FUND ACTIVITY	Actual FY 04-05	Estimated FY 05-06	Requested FY 06-07
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$369,027	\$1,563,183	\$878,606
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	1,478,797	4,223,077	12,000
Expenditures - (Decrease) fund balance	(279,719)	(4,907,654)	(845,195)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	1,199,078	(684,577)	(833,195)
Adjustments to Reserves/Encumbrances:			
Capitalized Interest	(4,920)	-	-
Net Change in Encumbrance	-	-	-
Principle Payment	-	-	-
Net Adjustment - Increase/(Decrease) to Fund Balance	(4,920)	-	-
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$1,563,183	\$878,606	\$45,411
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	\$1,194,156	(\$684,577)	(\$833,195)
<u>Fund Balance Components at Beginning of FY</u>	<u>7/1/04</u>	<u>7/1/05</u>	
Cash	\$356,707	\$128,741	
Other Receivables (Connection Fees)	12,320	1,434,442	
Accounts Payable	-	-	
Contract Retention Payable	-	-	
Encumbrances	-	-	
Total Beginning Fund Balance	\$369,027	\$1,563,183	

FY 2006-07 BUDGET
SUMMARY OF REVENUES AND EXPENDITURES

Section Title: **SANITATION ZONE - 2006-1 SCWA ACQUISITION FUND**
Section/Index No: **682401**

Sub-Object No. and Title	Adopted 2005-06	Requested 2006-07	Difference	Percent Change
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REVENUES:

USE OF MONEY

1700 Interest on Pooled Cash	\$0	\$0	\$0	N/A
Subtotal Use of Money	\$0	\$0	\$0	N/A

OTHER FINANCING SOURCES

4625 OT -W/in Special Dist - BOS	\$0	\$255,949	\$255,949	N/A
Subtotal Other Financing Sources	\$0	\$255,949	\$255,949	N/A

TOTAL REVENUES	\$0	\$255,949	\$255,949	N/A
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EXPENDITURES:

OTHER CHARGES

7920 Interest	\$0	\$110,077	\$110,077	N/A
Subtotal Other Charges	\$0	\$110,077	\$110,077	N/A

OTHER FINANCING USES

8625 OT -W/in Special District - BOS	\$0	\$0	\$0	N/A
Subtotal Other Charges	\$0	\$0	\$0	N/A

ADMINISTRATIVE CONTROL ACCOUNT

9200 Ent - Principal	\$0	\$141,484	\$141,484	N/A
9209 Ent - Principal Clearing	\$0	(\$141,484)	(\$141,484)	N/A
Subtotal Administrative Control	\$0	\$0	\$0	N/A

TOTAL EXPENDITURES	\$0	\$110,077	\$110,077	N/A
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TOTAL NET COST	\$0	(\$145,872)	(\$145,872)	N/A
<i>(Expenditures Minus Revenues)</i>				

**FY 2006-07 BUDGET
CHARACTER JUSTIFICATION**

Department - Division: Sonoma County Water Agency - Sanitation
Section Title: Sanitation Zone - A.L.W. - Bonds

Character Title: Other Financing Sources **Character No.:** 682401-46

4625 OT - W/in Special Dist - BOS

This account records the transfer of funds from the Operations Fund to cover the photovoltaic project lease payment.

Character Title: Other Charges **Character No.:** 682401-75

7920 Interest

This account reflect the interest payable on the lease payments. The interest payment will begin April 2005 and will continue to October 2020.

Character Title: Other Financing Uses **Character No.:** 682401-86

8625 OT - W/in Special Dist - BOS

This account reflects amounts transferred to the Construction Fund for expenses incurred for the photovoltaic project. No funds will be budgeted for FY 06-07.

Character Title: Administrative Control **Character No.:** 682401-92

9200 Ent - Principal

This account reflects the principal expense for the capital lease. Payments will begin April, 2006 and continue until October, 2020. The request for the forthcoming fiscal year is based on the rental payment schedule.

The following reflects the rental payment history to date:

Original Purchase Price:	\$2,750,000
Principal Payments through FY 05-06	<u>(17,033)</u>
Outstanding Balance	\$2,732,967

9209 Ent - Principal Clearing

This is the clearing account for sub-object 9200, Ent - Principal.

FY 2006-07 BUDGET
STATEMENT OF SPECIAL FUND ACTIVITY

Department Sonoma County Water Agency - Sanitation
Section: **SANITATION ZONE - 2006-1 SCWA ACQUISITION FUND**
Index No.: 682401

DESCRIPTION OF FUND ACTIVITY	Actual FY 04-05	Estimated FY 05-06	Requested FY 06-07
Undesignated/Unreserved <u>BEGINNING</u> Fund Balance			
Available for Budgeting (See Detailed Components Below)	\$0	\$0	\$16,041
Annual Revenues and Expenditures:			
Revenues - Increase fund balance	-	216,149	255,949
Expenditures - (Decrease) fund balance	-	(2,791,591)	(110,077)
Net Surplus or Deficit - Increase/(Decrease) to fund balance	-	(2,575,442)	145,872
Adjustments to Reserves/Encumbrances:			
4200 Proceeds from LT Debt	-	2,750,000	-
Change in Matured Lease Payable	-	(141,484)	(5,831)
9200-ENT - Principle	-	(17,033)	(141,484)
Net Adjustment - Increase/(Decrease) to Fund Balance	0	2,591,483	(147,315)
Undesignated/Unreserved <u>ENDING</u> Fund Balance			
Available for Budgeting	\$0	\$16,041	\$14,598
Total Increase/(Decrease) in Fund Balance for Fiscal Year (Difference between Beginning and Ending Balance)	\$0	\$16,041	(\$1,443)
<u>Fund Balance Components at Beginning of FY</u>	7/1/04	7/1/05	
Cash	\$0	\$0	
Cash with Trustee	0	0	
Matured Bonds Payable	0	0	
Interest Payable	0	0	
Total Beginning Fund Balance	\$0	\$0	